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7	UNITED STATES DISTRICT COURT WESTERN DISTRICT OF WASHINGTON	
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9	HEROIC ERA, LTD., a foreign company,	Case No.
10	Plaintiff,	PLAINTIFF HEROIC ERA,
11	v.	LTD.'S MOTION TO QUASH DEFENDANT'S SUBPOENA FOR
12		<b>DEPOSITION OF PLAINTIFF'S</b>
13	EVONY, LLC, et al.,	COUNSEL
14	Defendants.	NOTE ON MOTION CALENDAR: December 24, 2010
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	MOTION TO QUASH - 1 [10-cv-2012]	NEWMAN & NEWMAN, ATTORNEYS AT LAW, LLP  1201 Third Avenue, Suite 1600 Seattle, Washington 98101 (206) 274-2800

## I. INTRODUCTION

Defendant Evony, LLC served a subpoena on counsel for Heroic Era, Ltd. (the "Subpoena") in this Judicial District purporting to require Heroic Era's counsel to testify in deposition. Heroic Era and Evony are currently engaged in litigation in the United States District Court for the Northern District of California, Case No. 10-cv-2458-SBA (the "Lawsuit").

In the Lawsuit, Heroic Era seeks a declaration that it has not infringed Evony's copyrighted materials. To facilitate settlement, the parties signed an agreement permitting Heroic Era's counsel to examine Evony's source code on an "attorneys' eyes only" basis. Heroic Era's counsel has complied with that agreement.

However, Evony speculates that Heroic Era's counsel has not complied with the agreement. Evony's Subpoena indicates it wishes to interrogate Heroic Era's counsel regarding the alleged "copying, dissemination, transfer or disclosure" of Evony's source code. This is disfavored as a matter of law, and this Court should quash the Subpoena.

Evony cannot show the extraordinary circumstances required to turn Heroic Era's counsel into a witness. A deposition of Heroic Era's counsel would inevitably lead to disclosure of privileged information. The requested deposition is not likely to lead to the discovery of admissible evidence. And Evony has other, far less intrusive means of obtaining the information it seeks. Accordingly, Heroic Era respectfully requests that the Court quash the Subpoena and require Evony to pay Heroic Era its reasonable attorneys' fees incurred in bringing this motion.

## II. FACTS

## A. The Parties' Agreement

Heroic Era is the creator of the online real-time strategy game *Caesary*. (Declaration of Derek Linke in Support of Motion to Quash ("Linke Decl.") ¶ 3.) Evony claims Heroic Era misappropriated Evony's source code (and infringed Evony's copyright in that code) in the development of *Caesary*. (<u>Id</u>. ¶ 4.) In its complaint, Heroic Era seeks a judicial declaration that *Caesary* does not infringe any copyrights held by

Evony and that Heroic Era has not misappropriated any of Evony's trade secrets. ( $\underline{\text{Id}}$ .  $\P$  5.)

Prior to the commencement of the Lawsuit, the parties engaged in settlement discussions. (Linke Decl. ¶ 6.) During the course of those discussions, Heroic Era's counsel indicated it might facilitate settlement if Heroic Era's counsel had the opportunity to review the source code which Evony claims was misappropriated (the "Evony Code"). (Id. ¶ 7.) Subsequently, the parties executed a letter agreement on July 29, 2010 (the "Agreement"), which permitted Heroic Era's counsel to examine the Evony Code on an "attorneys' eyes only basis." (Id. ¶ 8, Ex. A.)

# B. Evony's Subpoena

In the Lawsuit, Evony has previously served Heroic Era with discovery requests seeking to examine Heroic Era's source code for *Caesary* (the "Heroic Era Code"). (Linke Decl. ¶ 9.) Heroic Era has complied with these requests. (<u>Id</u>. ¶ 10.) Consequently, Evony has had an opportunity to examine the Heroic Era Code. (<u>Id</u>. ¶ 11.)

Heroic Era's counsel has complied with the terms of the parties' Agreement and has not disclosed, disseminated or transferred the Evony Code to anyone other than Heroic Era's counsel. (Linke Decl. ¶ 12.) Nonetheless, Evony claims that since the parties executed the Agreement, Heroic Era has made changes to the *Caesary* source code. (Id. ¶ 13.) Evony claims these purported changes could only have been made if Heroic Era's counsel had violated the Agreement (which Heroic Era's counsel did not do). (Id. ¶ 14.) Evony bases its spurious allegations on its examination of Heroic Era's website. (Id. ¶ 15.)

Evony now seeks to depose Heroic Era's litigation counsel concerning the alleged violation of the Agreement. (Linke Decl. ¶ 16 Ex B.) The sole topic of Evony's Subpoena is the alleged violation of the Agreement by Heroic Era's counsel. (Id. ¶ 17.) Aside from the Subpoena, Evony has not served any discovery related to the alleged violation of the Agreement. (Id. ¶ 18.)

# III. ARGUMENT

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A. Evony Cannot Meet the Burden of Showing Extraordinary Circumstances Requiring Counsel's Deposition

"[D]epositions of opposing counsel are disfavored." <u>United States v. Yonkers</u> Board of Education, 946 F.2d 180, 185 (2d Cir. 1991). "The burden is on the party seeking the deposition to show the propriety of and need for deposing opposing counsel." FMC Techs., Inc. v. Edwards, 2007 U.S. Dist. LEXIS 18328, \*7 (W.D.Wash. Mar. 15, 2007) (citing Shelton v. American Motors Corp., 805 F.2d 1323, 1327 (8th Cir. 1986). Courts recognize that a deposition of opposing counsel presents "a unique opportunity for harassment; it disrupts the opposing attorney's preparation for trial, and could ultimately lead to disqualification of opposing counsel. . . ." Marco Island Partners v. Oak Dev. Corp., 117 F.R.D. 418, 420 (N.D. III. 1987); see also West Peninsular Title Co. v. Palm Beach County, 132 F.R.D. 301, 302 (S.D. Fla. 1990) (attorney depositions "inherently constitute an invitation to harass the attorney and parties, and to disrupt and delay the case"). "[A]s courts have uniformly recognized, depositions of opposing counsel are disruptive to the adversarial process and should be allowed only in limited circumstances. United States v. Hansen, 233 F.R.D. 665, 668 n.1 (S.D.Cal. 2005). Accordingly, most federal courts require the party seeking to depose opposing counsel to demonstrate the propriety and necessity of the deposition as well as the absence of privileged or protected communications. See Kelling v. Bridgestone/Firestone, Inc., 153 F.R.D. 170, 171 (D. Kan. 1994) (citing numerous examples).

The district court may issue orders protecting a party from being deposed where necessary "to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense." FED. R. CIV. P. 26(c). "On timely motion, the issuing court must quash or modify a subpoena that... (iii) requires disclosure of privileged or other

The fact that Evony seeks to depose Heroic Era's litigation counsel exacerbates the prejudice to Heroic Era. *See*, *e.g.*, <u>Johnston Development Group, Inc. v. Carpenters Local Union No. 1578</u>, 130 F.R.D. 348, 356 (D.N.J. 1990) (recognizing greater potential harm to adversary process where trial counsel, as opposed to corporate counsel, is deposed).

protected matter, if no exception or waiver applies; or (iv) subjects a person to undue burden." FED. R. CIV. P. 45(c)(3)(A).

The deposition of opposing counsel "should be employed only in limited circumstances." Shelton, 805 F.2d at 1327. Pursuant to Shelton, the circumstances in which opposing counsel may be deposed should be limited to where the party seeking to take the deposition has shown that: "(1) no other means exist to obtain the information than to depose opposing counsel, . . .; (2) the information sought is relevant and nonprivileged; and (3) the information is crucial to the preparation of the case (the "Shelton Test"). Shelton, 805 F.2d at 1237. Although the Ninth Circuit has not formally adopted Shelton, "district courts have used it when analyzing whether to permit the deposition of counsel." Fausto v. Credigy Services Corp., 2008 U.S. Dist. LEXIS 105170, at \*4, n.2 (N.D. Cal. Nov. 3, 2008) (cited with favor in Villaflor v. Equifax Info., 2010 U.S. Dist. LEXIS 83314, \*6 (N.D. Cal. Jul. 22, 2010); Lloyd Lifestyle Ltd. v. Soaring Helmet Corp., 2006 U.S. Dist. LEXIS 16539, at \*4 (W.D. Wash. Mar. 23, 2006); see also Massachusetts Mutual Life Ins. Co. v. Cerf, 177 F.R.D. 472, 479 (N.D. Cal. 1998)(applying the Shelton test); Caterpillar, Inc. v. Friedmann, 164 F.R.D. 76, 78 (D. Or. 1995).

Evony has not demonstrated a need for deposing Heroic Era's counsel and it fails all three prongs of the Shelton test. The Subpoena is a clear attempt to harass Heroic Era and its counsel, which this Court should not tolerate. Instead, this Court should quash the Subpoena.

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## 1. The Shelton Test Does Not Allow Defendants to Depose Heroic Era Counsel

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# **Evony Has Other Means of Obtaining the Information**

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updated with portions of the Evony Code, Evony could propound discovery requests asking what changes have recently been made to *Caesary* (if any). Evony could ask once more to examine the Heroic Era code. Instead, Evony has chosen to subpoena Heroic

If Evony were really concerned about the possibility that *Caesary* had been

Era's counsel, which is heavily disfavored absent a showing of the "propriety of and need for deposing opposing counsel." <u>FMC Techs.</u>, 2007 U.S. Dist. LEXIS 18328 at \*7. Evony has not come anywhere near the requisite showing. It fails the first prong of the Shelton test.

# b. Evony Inevitably Seeks Privileged Information

Evony seeks to depose Heroic Era's counsel about internal, privileged communications which are permitted under the parties' Agreement. The Agreement permits Heroic Era's counsel to examine the Evony Code: "By signing below, you agree to treat the Code, once disclosed, as highly confidential--attorney's eyes only." (Linke Decl. ¶ 8, Ex. A.) Yet in the Subpoena, Evony seems to question Heroic Era's counsel on

The facts and circumstances regarding any portion of the Confidential Information [i.e., the Evony Code] that was discussed, referenced or forwarded in any way to anyone, including but not limited to any attorney...

(Linke Decl. ¶ 16, Ex. B; emphasis added.) Such a deposition will inevitably probe into privileged areas regarding internal communications between Heroic Era's counsel concerning matters that Evony agreed Heroic Era's counsel could discuss amongst themselves. For example, Evony would necessarily ask about the content of internal discussions and emails between Heroic Era's counsel relating to their comparison of the Evony Code and the Heroic Era Code. Similarly, Evony would ask about the communications between Heroic Era and its counsel, on the premise that Evony is entitled to breach the attorney-client and work product privileges simply because Evony suspects Heroic Era's counsel violated the Agreement (which it did not). This is grossly improper and is an excellent reason to quash the Subpoena. *See*, *e.g.*, Dunkin' Donuts, Inc. v. Mandorico, 181 F.R.D. 208, 212 (D.P.R. 1998) (noting that deposition of counsel regarding reasons for termination of franchise agreement would involve inquiry into privileged areas, finding "the defendant has failed to meet the second [Shelton] factor", and holding "I will not allow the defendant to depose plaintiff's counsel").

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#### The Information Sought Is Not Crucial to Evony's Case c.

The third Shelton factor is whether "the information is crucial to the preparation of the case". Shelton, 805 F.2d at 1327. Evony cannot claim with any credibility that an intrusive deposition of opposing counsel is "crucial" to its preparation of its case. Evony has previously examined Heroic Era's source code for *Caesary* and if necessary, it could request to do so again. Any testimony Evony obtained from Heroic Era's counsel would be about confidential internal discussions and internal comparisons of the Evony and Heroic Era source codes between Heroic Era's counsel. This type of information would not lead to the discovery of admissible evidence, and is not itself admissible.

### В. **Evony Should Pay Heroic Era's Fees for this Motion**

Rule 45 requires an attorney issuing a subpoena to take reasonable steps to avoid imposing an undue burden on the person subject to the subpoena. Rule 45(c)(1) grants courts the power to impose an appropriate sanction which may include attorney's fees. See also Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792, 814 (9<sup>th</sup> Cir. 2003) (noting that imposition of attorney's fees as sanction with respect to quashed subpoena is within the discretion of the district court). Heroic Era respectfully requests this Court exercise its discretion and order Evony to reimburse Heroic Era's costs of moving to quash the frivolous Subpoena.

Evony's Subpoena on Heroic Era's counsel is nothing more than a fishing expedition and an attempt to prejudice Heroic Era. Evony should instead have explored less intrusive alternatives, such as propounding additional discovery requests for Heroic Era's source code, rather than harass Heroic Era by seeking to depose its litigation counsel. Evony's Subpoena upon Heroic Era's counsel amounts to bad faith. Accordingly, this Court should require Evony to reimburse Heroic Era for its attorneys' fees incurred in preparing and filing this motion to quash the Subpoena.

#### IV. **CONCLUSION**

Evony's request to depose Heroic Era's counsel is nothing more than a transparent attempt to harass Heroic Era. Evony fails to satisfy the heightened standard necessary to

# Case 2:10-cv-02062-MJP Document 1 Filed 12/15/10 Page 8 of 8

1 after evidence elsewhere, and it fails to demonstrate the "crucial" nature of the evidence 2 it seeks. Heroic Era respectfully requests the Court quash the Subpoena and grant Heroic 3 Era its reasonable attorneys' fees in bringing this motion. 4 DATED this 15th day of December, 2010. 5 6 Respectfully Submitted, 7 NEWMAN & NEWMAN, 8 ATTORNEYS AT LAW, LLP 9 By: Derek Linke 10 linke@newmanlaw.com 11 Derek A. Newman derek@newmanlaw.com 12 Attorneys for Plaintiff 13 HEROIC ERA, LTD. 14 15 16 17 18 19 20 21 22 23 24 25 26 27